

COUNCIL REPORT

M&C No.	2025-105
Report Date	April 02, 2025
Meeting Date	April 07, 2025
Service Area	Utilities and Infrastructure Services

Her Worship Mayor Donna Noade Reardon and Members of Council

SUBJECT: Timelines for Paving Milled Roadways under the City's Annual Asphalt Resurfacing Contracts

AUTHORIZATION

Primary Author	Commissioner/Dept. Head	Chief Administrative Officer
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RECOMMENDATION

It is recommended that Council approve the implementation of paving timelines and corresponding liquidated damages for each street to be resurfaced within the Annual Asphalt Resurfacing Contracts as detailed in the Report.

EXECUTIVE SUMMARY

Staff are proposing to include prescribed asphalt paving timelines for each street within the City's Annual Asphalt Resurfacing Programs. The timelines for each street would be included in the Contract's Particular Specifications, as this would allow the flexibility of Staff to make adjustments to the timelines based on the site-specific variables of each street.

It is also proposed that the Asphalt Resurfacing Contracts include liquidated damages of \$2,000 per calendar day for each day, the work on an individual street remains incomplete. The liquidated damages would be accounted for on a per street basis to ensure each street's timeline is being met.

It is expected that increased service levels will result in fewer streets being resurfaced as part of the City's Annual Asphalt resurfacing program. In addition, over time there will be an increase in the General Fund's infrastructure deficit related to asphalt.

PREVIOUS RESOLUTION

Council Meeting 25-03-24 –RESOLVED that the CAO be directed to report back to Council with contract language that would require contractors to adhere to strict timelines for paving city streets, as part of the City's Annual Asphalt Resurfacing

Programs, to be applied once the road milling process has been started on each street.

REPORT

Council recently requested that Staff provide a proposed plan to address paving delays on City streets within the Annual Asphalt Resurfacing Program contracts. An overall plan has been prepared and is being implemented within the 2025 Asphalt Resurfacing Program that is currently out to tender and is anticipated to close on April 8th, 2025. A second smaller asphalt resurfacing tender is currently being prepared and expected to be tendered once bids are received and reviewed for the first tender.

Current General Specification Requirements

Within Section 27.5.19 of the City's General Specifications there is text that indicates "The HMA (Hot Mix Asphalt) resurfacing shall be completed within ten (10) working days of completing the cold milling. The Contractor shall maintain the site free of potholes, and in a condition providing for the safe flow of traffic from the time of cold milling until the time of HMA resurfacing". The section goes on to say, "Should the Contractor not complete the HMA resurfacing within the required timeline after completion of the cold milling, the City may have the work completed by others at the Contractor's cost."

The 10-working day (a day other than Saturday, Sunday or a statutory holiday) timeline is noted in the current version of the City's General Specifications, however there are some drawbacks to how the specification section is written when it comes to enforcement on an Asphalt Resurfacing Contract.

The first issue is the 10-working days requirement is a one size fits all philosophy. There are many variables that need to be considered when determining a reasonable time frame for a Contractor to complete the asphalt paving work on a street. Some of the variables that need to be considered when determining reasonable timeframes for resurfacing a street are noted below:

- the length of roadway being resurfaced;
- the number of structure adjustments that are necessary;
- any underground infrastructure repairs that need to be completed before paving, and
- is curb and sidewalk being installed or renewed.

Considering these variables Staff looked at contract language that could be added to the Particular Specifications for the Asphalt Resurfacing Contract.

When preparing the Contract documents, Staff would review each street and provide an estimated timeline for when the Contractor should have each street resurfaced. Considerations as noted above would be reviewed for each individual

street. Generally, it is expected there would be common themes that would arise from this review which would result in many of the streets having similar timelines for milling and resurfacing. It is expected that the minimum timeline for standard street resurfacing from the start of milling a street to the time it would be resurfaced would be 16 calendar days. These would be streets that do not have a lot of structures that need to be adjusted, no underground repairs required as well as no curb and sidewalk to be installed.

As expected, the roadways that require a lot of structure adjustments or new concrete curb and sidewalk to be installed would have an increased amount of calendar days between the start of milling the street and asphalt paving being completed. It is expected that a timeline for streets that fit in this category would be between 23 and 30 calendar days.

It is not recommended that this direction be included in the City's General Specifications as the timelines are project specific and should be included in the Particular Specifications of each contract. This is recommended so that adjustments to timelines can be made for site specific variables to ensure the timelines proposed are realistic. For each contract, Staff would monitor how the Contractor is doing in terms of meeting the timelines. Future contracts may have their timelines adjusted based on past experience on the Asphalt Resurfacing Contracts.

Having a timeline for each street that will be resurfaced will allow Staff to be more accurate when informing the public when they should expect certain streets to be resurfaced. An example of this would be if milling started on a roadway with limited structure adjustments and no curb and sidewalk renewal, a citizen could expect that the asphalt resurfacing would be completed within the next 16 calendar days.

It should be noted, however, that in some cases things happen during construction that are unexpected and that results in a change of plan. Examples of this would be infrastructure failure during milling operations, the scope of infrastructure renewal increased and poor weather. These would mainly be items that arise during construction that are beyond the contractor's control. If delays are experienced due to issues that arise that are beyond the Contractor's control additional calendar days may need to be added to the paving timeline at the Engineers' approval and discretion. For example, if bad weather causes delays, the Contractor would need to request an extension and provide evidence to the Engineer on why work could not be completed. If the Engineer agrees that the delay was due to circumstances beyond the contractor's control (such as bad weather), the schedule may be adjusted. However, there would be no automatic extension of the schedule for delays due to weather unless explicitly granted by the Engineer in writing, recognizing that some contract work may or may not be affected by bad weather.

The second issue with the 10-working days requirement in the General Specifications is there are no ramifications to the Contractor for missing the 10-working day timeline except for the City taking the extraordinary step of having the work completed by others at the Contractor's cost. This would result in significant contractual issues between the City and the Contractor and likely possible legal action.

To address the ramifications of not meeting the specified paving timeline in the Asphalt Resurfacing Contracts, Staff are proposing \$2,000 per day liquidated damages for each calendar day, the work on an individual street remains incomplete. These liquidated damages would be on top of the \$1,000 per calendar date noted in the General Specifications for late substantial completion of the overall contract as a whole.

The \$2,000 per calendar day liquidated damages is intended to be the pre-estimate of the damages caused by the delay and extra expense to the City. The expectation is that by having these liquidated damages cost per calendar day, it will hold the Contractor accountable to timelines noted in each Asphalt Resurfacing Contract as there will be financial ramifications to not completing the work as per the terms of the Contract. These liquidated damages costs would be deducted from the Contractors' progress payments as the project progresses so that the damages are addressed in a timely manner and not just at the end of the Contract.

Milling of Existing Asphalt Concrete

Within the City's current General Specifications it indicates if a transverse vertical joint is milled in the existing pavement to allow for transition between new and old pavement, the Contractor shall promptly construct a temporary smooth ramp with Hot Mix asphalt to a slope of 25:1. The cost of the Contractor completing this is considered incidental to the work.

During the mass milling process Contractor's can also ramp their milling to transition from full depth milling up to nothing over a distance to ensure it is gradual slope for vehicle travelling over it. However, it should be noted that a Contractor will need to mill a vertical edge just prior to paving which will result in traffic needing to travel over the 40mm bump between the milled surface and the existing asphalt. The intent would be to limit this time as much as possible before the street is paved. Staff will be working with the successful Contractor of the 2025 Asphalt Resurfacing program to ensure this section of the General Specifications is followed on all City streets being resurfaced in 2025.

STRATEGIC ALIGNMENT

This report aligns with Council's Priorities as adding these new milling and paving timelines and liquidated damages to the Annual Asphalt Resurfacing Program Contracts attempts to balance getting much needed construction work completed

in a timely manner but also attempting to limit the difficulties this construction causes on the residents and businesses around the City.

SERVICE AND FINANCIAL OUTCOMES

It is expected that including these parameters as noted in the report into Asphalt Resurfacing Program Contracts it will improve service delivery to residents and businesses in the area of the resurfacing as time frames will start once the Contractor begins milling a street. These parameters will also incentivize Contractors to complete their City work before moving onto other projects they may have for other jurisdictions.

It is expected that implementing timelines for milling and paving streets along with liquidated damages when streets are not resurfaced on time will result in higher costs for the City therefore impacting the number of streets that can be resurfaced on an annual basis. Without corresponding increases to capital budgets related to asphalt resurfacing, it is expected that over time less streets will be resurfaced, more streets will deteriorate, the City's Pavement Condition Index (PCI) will decrease and the General Fund's infrastructure deficit related to asphalt will increase.

At this point in time, it is unknown what the expected increase in costs will be as Staff has no data available on these new measures. As noted above these timeline and liquidated damages parameters are included within the 2025 Asphalt Resurfacing Program Contract. Once Staff receive the bid(s) for this tender they will be able to compare costs from this year's bids versus previous years bids. Any increase will not be solely related to the adding timeline parameters as there may be many variables on why prices may increase (i.e. inflation) however it will provide Staff and Council with useful information for analysis so that Staff can attempt to balance additional requirements with added cost.

Adding more requirements to Capital contracts typically increases the price that the City receives from Contractors as it limits their flexibility when managing a project. There is a delicate balance between allowing the Contractor to have as much flexibility as possible, but also holding them accountable for project deliverables and timelines. Staff's expectation is by following the plan noted above it will achieve this balance. Council should also be aware that some Contractors that have sub-contractors doing some of the work within the Asphalt Resurfacing Contracts will have more challenges meeting the timelines as they are relying on sub-contractors which they do not have sole control over. Contractors that can do all the work within the prescribed scope of the Asphalt Resurfacing Contract will be able to control schedules easier as it is all their resources doing the work.

INPUT FROM OTHER SERVICE AREAS AND STAKEHOLDERS

The report was reviewed by General Counsel's office for their input. General Counsel's office was involved in the preparation of the section that was included in Division 3 of the 2025 Asphalt Resurfacing Contract currently out to tender.

ATTACHMENT

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